Figure 1: Patricia C. Cafferata, first woman elected to the office of Nevada State Treasurer, circa 1981. Courtesy of the Nevada State Archives, LEG-0048.

Article 5 of the Nevada State Constitution provides for the election of a State Treasurer, to hold a four-year term of office. The first State Treasurer assumed office on Dec. 5, 1864, at which time the treasury of Nevada Territory was transferred to the State of Nevada. The first term of the first Treasurer extended to the 1st Tuesday following the 1st Monday in January 1867, after which a regular series of 4-year terms commenced. The Treasurer is responsible for the receipt and disbursement of all state funds except for those of the Public Employees Retirement System (PERS), the State Industrial Insurance System (SIIS), and for investment of state funds to generate income. The Treasurer is an ex officio disbursing agent for the federal government and the Municipal Bond Bank administrator. The Treasurer establishes policies for investing state money subject to the approval of the State Board of Finance, of which he/she is a member.

Duties of the Treasurer involve receiving and keeping all moneys of the state, receipting all moneys to the State Controller, and disbursing public moneys upon warrants drawn upon the Treasury by the State Controller. The Treasurer is charged with the responsibility of keeping a just, true, and comprehensive account of all moneys received and disbursed and with fixing, charging, and collecting reasonable fees for special services rendered to other state agencies. He is responsible for the safekeeping of all bonds and securities of the state pertaining to his office.

The State Treasurer maintains open accounts in Nevada banks to receive deposits of public moneys and to process state warrants, maintaining sufficient cash in the accounts to cover outstanding warrants. All other funds are invested daily.

Investments, which are made under statutory authority, include bonds and certificates of the United States, bonds of federal agencies where underwritten by or payment is guaranteed by the U.S., Obligations of the U.S. Postal Service or of the Federal National Mortgage Association, bonds of the State of Nevada or Nevada municipalities and counties, and certificates of time deposits. Rates for time deposits are determined by negotiations.

Banks and savings and loan associations that are depositories of state funds must provide collateral at par value in at least the amount of the deposit. Accepted collateral includes obligations of the U.S.; bonds of Nevada; or bonds of any county, municipality or school district within Nevada. Collateral may be deposited with the Treasurer, a federal reserve bank or a non-affiliated bank or savings and loan association.

The 1981 legislature enacted AB-189 (Title 30 of the NRS) creating a Municipal Bond Bank within the State Treasurer's Office, which is administered by the Treasurer. The purpose for the creation of the Municipal Bond Bank was to help reduce the cost of issuing bonds by reducing the amount of interest paid on those bonds to the bondholders. Currently the law provides that the Bond Bank may only participate with the local governments issuing General Obligation Bonds (secured by ad valorem tax). A second limitation is that the bonds must be for the purpose of protecting or conserving the state's natural resources – generally water, sewer, irrigation, flood control and parks projects.

Local governments comply with the law for the issuance of bonds as though they were going to be sold on the open market. Once compliance has been met the local government petitions the state to buy the bonds. If the State agrees through action of the Bond Bank administrator (the State Treasurer) and acceptance of the State Board of Examiners, and review by the court, then the State will sell its General Obligation Bonds to provide the money to purchase the local government bonds. Since the state enjoys through its bond rating a lesser market risk to the purchasers of its bonds than that of the local government, the interest is less than that which would have been paid by the local government. A pass-through agreement from the state to the local government of the lower interest rate can save a local government millions of dollars in interest. In addition to a lower interest rate, other on-going costs generally associated with the retirement of municipal bonds is either eliminated entirely or reduced drastically.

As the state disbursing officer for the federal government, the State Treasurer acts for the federal government with respect to all financial matters required of him by the federal government, keeps books and accounts and prepares related receipts, and signs and pays all warrants related to state payroll deductions at the time and in the manner required according to federal law and regulation. [Source: Nevada State Constitution and job description written by State Treasurer Patricia Cafferata, 1984.]